

**To: Mayor & City Council**

**Subject: City Budget for Fiscal Year 2012-2013**

**Date: June 12, 2012**

### **Values and Priorities**

The annual budget is the City Council's number one policy statement. It reflects the values and priorities of our City and its people.

The values and priorities reflected in the Bountiful City budget for fiscal year 2012-2013 include these: respect for and fairness to the citizens of Bountiful, fiscal conservatism and financial soundness, debt free and pay as you go, lower property taxes and user fees, providing essential services, maintenance of infrastructure, protection of the environment, support for recreation and culture, planning for the future, independence of the City, and fair compensation to City employees.

### **No Property Tax or Other Tax Increases**

The Bountiful City budget for fiscal year 2012-2013 is \$62,041,103. There are no property tax or other tax increases. There are no user fee increases, except that the golf fees will go up \$1 next year. Because of the completion of the natural gas fired turbines facility, this budget is down \$16.7 million from last year. It includes \$4,000,000 for construction of a new city hall, which will be completed the following year. Otherwise, there are no significant changes from the previous year in revenues, appropriations or financial policy. This budget was prepared in conformity with the Utah Uniform Fiscal Procedures Act.

### **City Income**

The money for the budget comes primarily from user fees, which is the fairest form of taxation. Those who use the service pay for it. This constitutes 60% (or \$37 million) of the income, and includes most significantly \$26 million by electricity customers. Our electrical rates to our customers are lower overall than Rocky Mountain Power. Our City fees for water and garbage are lower than most other entities.

The second largest source of revenue to the City is taxes. The tax burden to pay for City services is light compared to other taxing entities such as the federal government, the State of Utah, the school district, and Davis County. Bountiful property taxes are the lowest of all the major cities in Utah. This budget includes revenue in the amount of \$5.6 million in sales taxes,

\$3.4 million in franchise taxes, \$2.4 million in property taxes, and \$1.2 million in gasoline taxes. It should be noted that only 1% of the 6.5% sales tax goes to the City. Property taxes on a \$250,000 home total \$1,913 which goes 64% to the School District and 20% to the County. Only 8%, or \$150, of property taxes goes to the City.

This budget includes a transfer of \$2,280,000 from the Power Department to the City general fund. This achieves fairness in taxation, in that the property tax exempt entities such as school districts, churches and governments that use services provided by the City partially pay for them through their electricity payments.

### **Expenditures Support Essential Services for Citizens**

The money spent in this budget goes to support the essential services and other priorities established by the Bountiful City Council for the benefit of the citizens of the City. The services provided by the City are of fundamental importance to the people every day, and are utilized many times every day. Monies expended in this budget provide the services of electricity (\$27.5 million), of water (\$3.3 million), and of the streets and sidewalks (\$3.9 million). It includes garbage service (\$850,000) with the supporting use of the landfill (\$1 million), and storm water management (\$900,000).

The budget provides police protection (\$6.3 million) and fire protection (\$1.9 million). It provides support for recreational and cultural activities including the golf course (\$1.4 million), city parks (\$800,000), the performing arts center (\$300,000), and other items such as the Bountiful Davis Arts Center, the Bountiful Historical Foundation and the Chalk Art Festival (\$110,000).

It is the employees of Bountiful City that make it all happen. The budget provides \$17.3 million to compensate the 165 full time employees and the hundreds of part time and seasonal people who provide these services.

### **The City is on a Sound Financial Foundation**

The use of the public treasure by the Bountiful City Council is governed by sound financial principles. Taxes and fees are as low as possible so that the taxpayers can keep for themselves as much of their hard earned money as possible. Bountiful is on a pay as you go basis, and has no general obligation debt. The City lives within its means, does not use one time monies for ongoing expenses, and is not dependent upon federal or state programs. It has significant financial reserves set aside, which in the past have helped it weather floods of the City, extreme electrical rate variations, economic recessions, and extensive wind damage.

Bountiful City is in a strong financial condition as it goes into the future.



*Bountiful City*

**Fiscal Year Budget 2012-2013**

**This budget was prepared  
in conformity with the  
Utah Uniform Fiscal Procedures Act.**

**It was initially prepared and reviewed  
by each City department, then reviewed  
again by the City Manager and the  
Administrative Services Director,  
by City Council Committees,  
and by the City Council as a whole.**

**“It's clearly a budget.  
It's got a lot of numbers in it.”**

**George W. Bush**





**“The City budget  
is the City Council’s  
number one policy statement.”**

**“A budget should reflect  
the values and priorities  
of our City and its people.”**

# **The values and priorities reflected in the Bountiful City 2012-2013 Budget**

**Respect for and fairness to the citizens of Bountiful**

**Fiscal conservatism / financial soundness**

**Debt free / pay as you go**

**Low property taxes and user fees**

**Providing essential services**

**Maintenance of infrastructure**

**Protection of the environment**

**Support for recreation and culture**

**Planning for the future**

**Independence of the City**

**Fair compensation to City employees**

**“We must consult our means  
rather than our wishes.”**

**George Washington**





# **The Bountiful City Budget for Fiscal Year 2012-2013 is \$62,041,103**

**Down \$16.7 million from last year.**

**No property or other tax increases.**

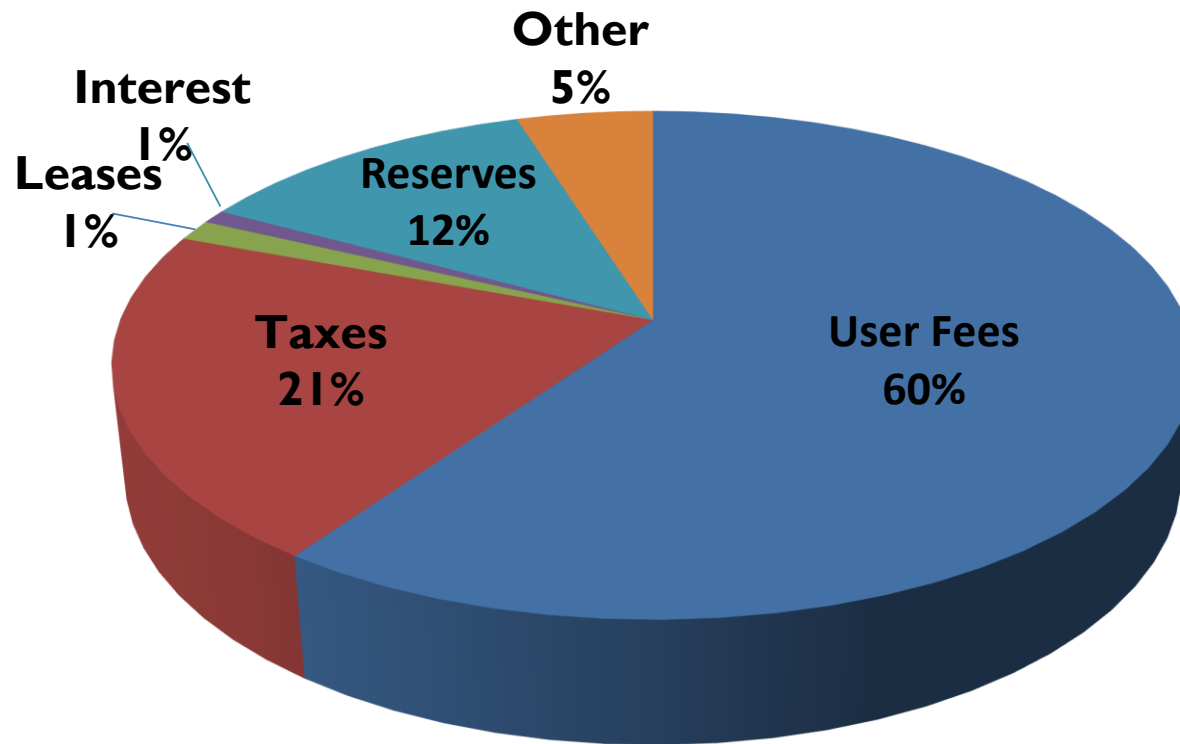
**No user fee increases (except golf next year).**

**Other than completion of the gas turbine units in the Power Department and construction of a new City Hall, there are no significant changes from the previous year in revenues, appropriations or financial policy.**

# 2012-2013 BUDGET

## Where The Money Comes From

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## 2012-2013 BUDGET

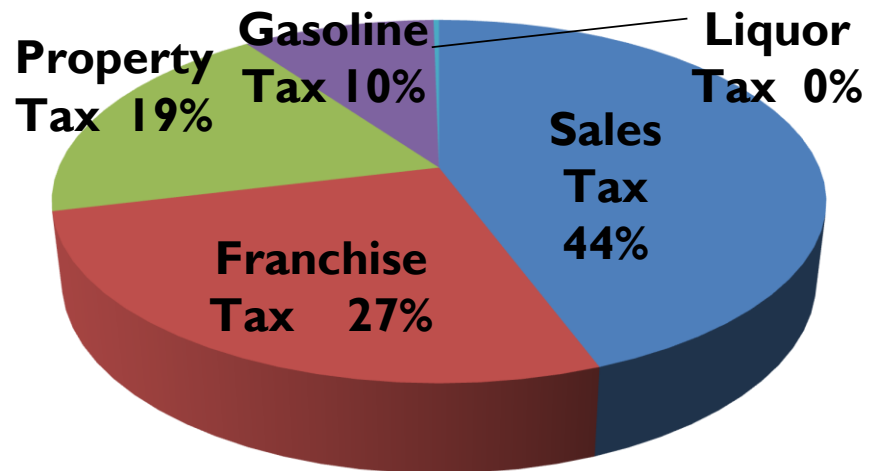
### Where the Money Comes From

<b>FUND\$</b>	<b>User Fees</b>	<b>Taxes</b>	<b>Leases</b>	<b>Interest</b>	<b>Reserves</b>	<b>Other</b>	<b>TOTAL</b>
General	\$2,697,320	\$10,185,000	\$161,000	\$20,000	\$0	\$2,415,000	\$15,478,320
Capital	0	2,600,000	0	275,000	5,362,974	0	8,237,974
Debt Service & MBA	270,000	0	620,994	5,665	98,824	0	995,483
<b>GOVERNMENTAL FUNDS TOTAL</b>	<b>\$2,967,320</b>	<b>\$12,785,000</b>	<b>\$781,994</b>	<b>\$300,665</b>	<b>\$5,461,798</b>	<b>\$2,415,000</b>	<b>\$24,711,777</b>
<b>% OF BUDGET</b>	<b>12%</b>	<b>52%</b>	<b>3%</b>	<b>1%</b>	<b>22%</b>	<b>10%</b>	<b>100%</b>
Recycling	\$473,109	\$0	\$0	\$319	(\$20,455)	\$0	\$452,973
Storm Water	896,500	0	0	6,000	0	725	903,225
Water	3,165,034	0	0	28,000	162,445	13,000	3,368,479
Power	26,055,124	0	32,711	65,410	912,100	440,292	27,505,637
Golf Course	1,427,000	0	25,000	13,500	0	0	1,465,500
Landfill	792,600	0	0	50,500	78,220	159,000	1,080,320
Sanitation	847,800	0	0	7,500	116,078	0	971,378
Cemetery	302,300	0	3,900	8,500	36,225	2,300	353,225
<b>ENTERPRISE FUNDS TOTAL</b>	<b>\$33,959,467</b>	<b>\$0</b>	<b>\$61,611</b>	<b>\$179,729</b>	<b>\$1,284,613</b>	<b>\$615,317</b>	<b>\$36,100,737</b>
<b>% OF BUDGET</b>	<b>94%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>4%</b>	<b>2%</b>	<b>100%</b>
Computer Maintenance	\$36,401	\$0	\$0	\$549	\$0	\$0	\$36,950
Liability Insurance	275,000	0	0	42,168	209,977	0	527,145
Worker's Compensation	200,000	0	0	19,633	94,861	0	314,494
RAP Tax	0	350,000	0	0	0	0	350,000
<b>INTERNAL SERVICE FUNDS TOTAL</b>	<b>\$511,401</b>	<b>\$350,000</b>	<b>\$0</b>	<b>\$62,350</b>	<b>\$304,838</b>	<b>\$0</b>	<b>\$1,228,589</b>
<b>% OF BUDGET</b>	<b>42%</b>	<b>28%</b>	<b>0%</b>	<b>5%</b>	<b>25%</b>	<b>0%</b>	<b>100%</b>
<b>TOTAL – ALL FUNDS</b>	<b>\$37,438,188</b>	<b>\$13,135,000</b>	<b>\$843,605</b>	<b>\$542,744</b>	<b>\$7,051,249</b>	<b>\$3,030,317</b>	<b>\$62,041,103</b>
<b>% OF BUDGET</b>	<b>60%</b>	<b>21%</b>	<b>1%</b>	<b>1%</b>	<b>12%</b>	<b>5%</b>	<b>100%</b>

# 2012-2013 BUDGET

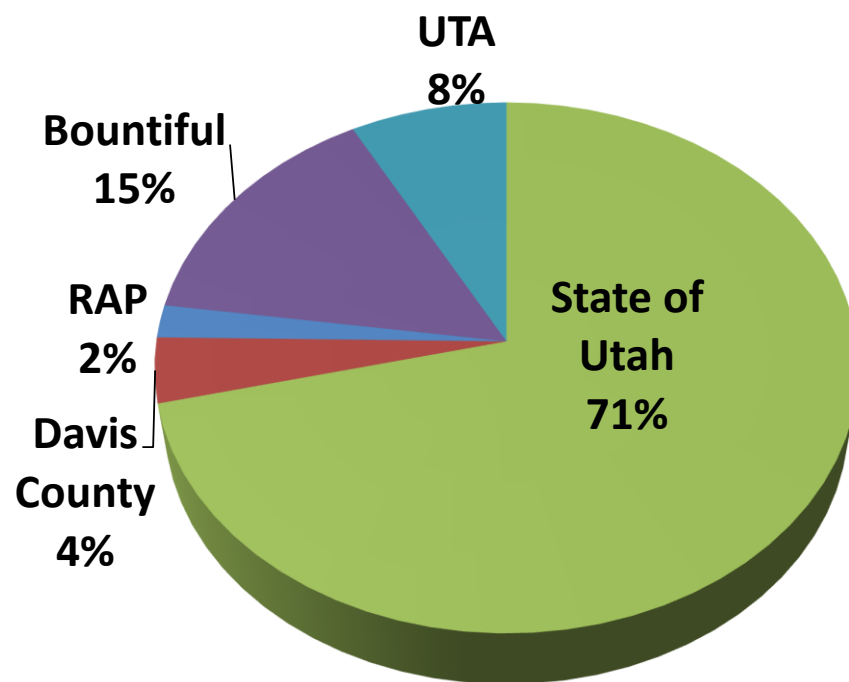
## Tax Revenues

Tax	Amount	Percentage
Sales Taxes	\$5,670,000	44%
Franchise Taxes	3,430,000	27%
Property Taxes	2,420,000	19%
Gasoline Taxes	1,230,000	10%
Liquor Taxes	35,000	0%
TOTALS	\$12,785,000	100%



# 2012-2013 BUDGET

## Sales Tax & Gasoline Tax Rates



### SALES TAX RATE

	<u>Rate</u>	<u>% of Total</u>
State of Utah	4.70%	71%
Bountiful	1.00%	15%
RAP	0.10%	2%
Davis County	0.25%	4%
UTA	0.55%	8%

### GASOLINE TAX RATE

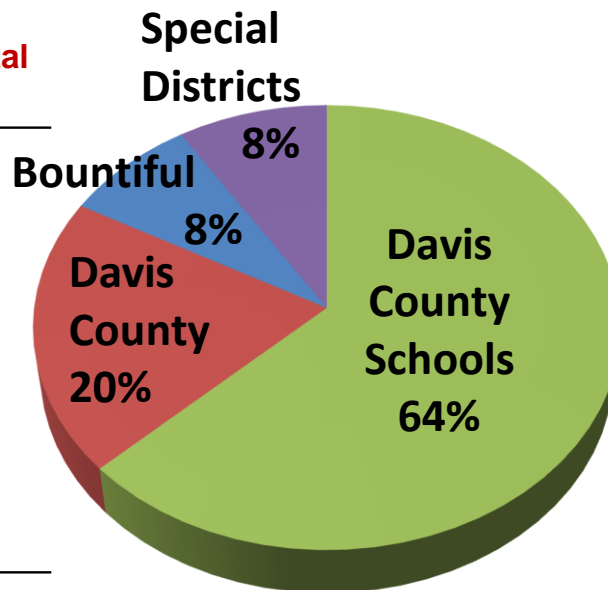
Per gallon of gas:	Fed. Gov.	18.5¢
	State Gov.	<u>24.5¢</u>
	<b>TOTAL</b>	<b>43.0¢</b>
Distribution:	State of Utah	75%
	Cities & Counties	25%

# 2012-2013 BUDGET

## Bountiful/Davis Property Tax on \$250,000 Home

\$ 250,000	Market Value
- \$ 112,500	45% Homeowner's Exemption
\$ 137,500	Taxable Value
X 0.013916	2011 Certified Tax Rate
\$ 1,913	in Property Taxes

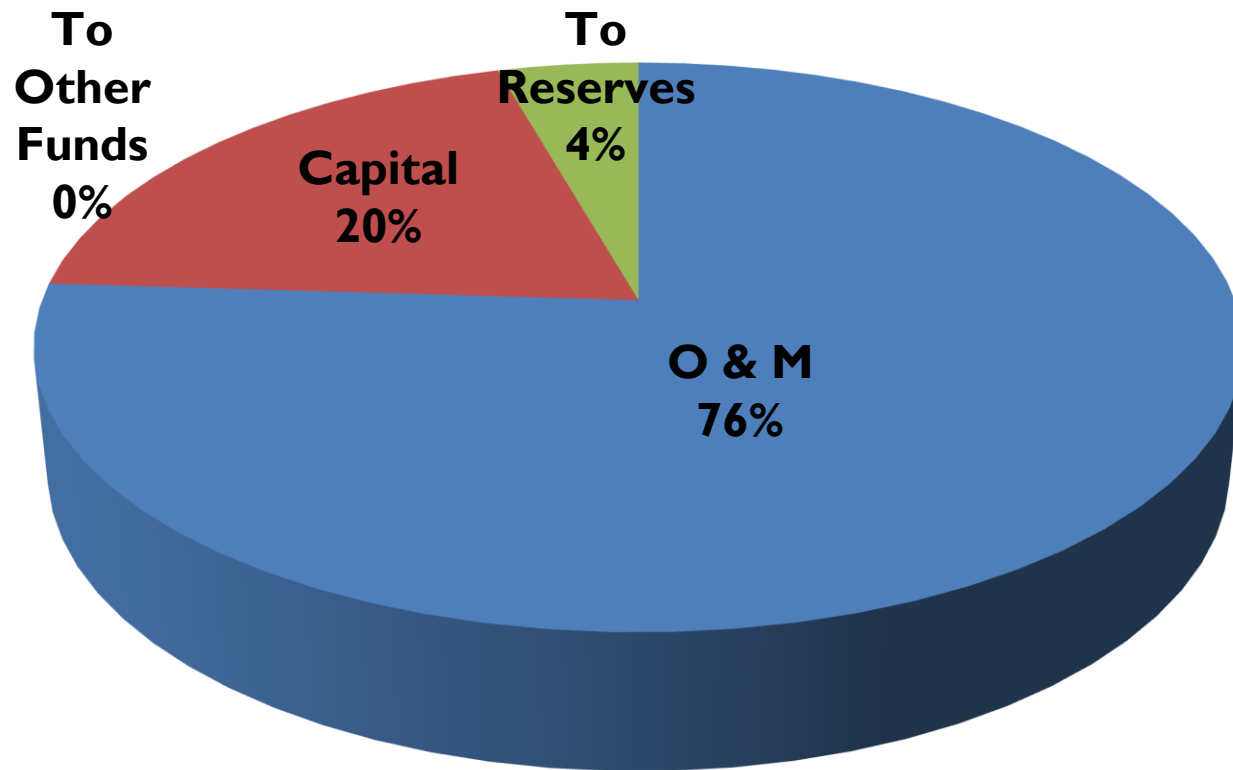
Entity	2011 Certified Tax Rate	Distribution	% of Total
Davis County School District	0.008861	\$1,218	64%
Davis County	0.002775	\$382	20%
Bountiful City	0.001093	\$150	8%
Special Districts	0.001187		
• Weber Basin	0.000217		
• Bountiful Subconservancy	0.000130		
• South Davis Recreation	0.000407	\$163	8%
• South Davis Sewer	0.000329		
• Mosquito Abatement	0.000104		
<b>TOTALS</b>	<b>0.013916</b>	<b>\$ 1,913</b>	<b>100%</b>



# 2012-2013 BUDGET

## Where The Money Goes

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# 2012-2013 BUDGET

## Where The Money Goes

<b>FUND</b>	<b>O &amp; M</b>	<b>Capital</b>	<b>To Reserves</b>	<b>To Other Funds</b>	<b>TOTAL</b>
General	\$15,478,320	\$0	\$0	\$0	\$15,478,320
Capital	0	8,237,974	0	0	8,237,974
Debt Service & MBA	0	995,483	0	0	995,483
<b>GOVERNMENTAL FUNDS TOTAL</b>	<b>\$15,478,320</b>	<b>\$9,233,457</b>	<b>\$0</b>	<b>\$0</b>	<b>\$24,711,777</b>
<b>% OF BUDGET</b>	<b>63%</b>	<b>37%</b>	<b>0%</b>	<b>0%</b>	<b>100%</b>
Recycling	\$452,973	\$0	\$0	\$0	\$452,973
Storm Water	674,052	0	229,173	0	903,225
Water	2,492,479	876,000		0	3,368,479
Power	23,560,705	1,521,100	2,423,832	0	27,505,637
Golf Course	1,273,959	110,000	81,541	0	1,465,500
Landfill	952,320	128,000	0	0	1,080,320
Sanitation	712,378	259,000	0	0	971,378
Cemetery	303,225	50,000	0	0	353,225
<b>ENTERPRISE FUNDS TOTAL</b>	<b>\$30,422,091</b>	<b>\$2,944,100</b>	<b>\$2,734,546</b>	<b>\$0</b>	<b>\$36,100,737</b>
<b>% OF BUDGET</b>	<b>84%</b>	<b>8%</b>	<b>8%</b>	<b>0%</b>	<b>100%</b>
Computer Maintenance	\$36,950	\$0	\$0	\$0	\$36,950
Liability Insurance	527,145	0	0	0	527,145
Worker's Compensation	314,494	0	0	0	314,494
RAP Tax	350,000	0	0	0	350,000
<b>INTERNAL SERVICE FUNDS TOTAL</b>	<b>\$1,228,589</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,228,589</b>
<b>03% OF BUDGET</b>	<b>100%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>100%</b>
<b>TOTAL – ALL FUNDS</b>	<b>\$47,129,000</b>	<b>\$12,177,557</b>	<b>\$2,734,546</b>	<b>\$0</b>	<b>\$62,041,103</b>
<b>% OF BUDGET</b>	<b>76%</b>	<b>20%</b>	<b>4%</b>	<b>0%</b>	<b>100%</b>



# **The values and priorities reflected in the Bountiful City 2012-2013 Budget**

**Respect for and fairness to the citizens of Bountiful**

**Fiscal conservatism / financial soundness**

**Debt free / pay as you go**

**Low property taxes and user fees**

**Providing essential services**

**Maintenance of infrastructure**

**Protection of the environment**

**Support for recreation and culture**

**Planning for the future**

**Independence of the City**

**Fair compensation to City employees**

## **Respect for and fairness to the citizens of Bountiful**

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- **Citizens are provided with the services they need**
- **Low taxes and user fees allow the citizens to keep as much of their own money as possible**
- **The pay as you go philosophy doesn't encumber future citizens with debt or future costs for present neglect of maintenance**
- **Employees have a corporate culture of respect and caring toward the citizens**
- **The contribution from power dept income to the City budget is a means of achieving fairness in that property tax exempt entities contribute toward the cost of streets, police, etc., that they use**

# 2012-2013 BUDGET

## Light & Power Fund – 12-year History of Expenses

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Year	General Fund Transfer	Generation Expenses
2001-02	1,903,000	16,175,000
2002-03	1,915,000	12,200,000
2003-04	2,019,000	16,175,000
2004-05	2,150,000	13,504,000
2005-06	2,322,000	13,654,000
2006-07	2,428,000	13,599,000
2007-08	2,400,000	14,293,000
2008-09	2,200,000	16,987,000
2009-10	2,200,000	17,544,000
2010-11	2,100,000	17,724,000
2011-12	2,200,000	16,773,000
2012-13 (budget)	2,280,000	16,273,000

## **Fiscal conservatism / Financial soundness**

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**Bountiful City lives within its means,  
does not pay for ongoing expenses with one time monies,  
does not borrow, and is not dependent upon  
Federal or State programs.**

**The City has significant financial reserves  
that have enabled it to pay for infrastructure  
expansion and to weather the storms of electrical  
power cost fluctuations, economic downturns,  
floods and wind disaster damage.**

**“I place public debt  
as the greatest of the dangers  
to be feared.”**

**Thomas Jefferson**



## **Debt free / Pay as you go**

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**Bountiful City is essentially debt free and has no general obligation bonds secured by property taxes. We do have four revenue bonds that are payable from user fees from the tenants and electricity rate payers.**

- **Renaissance Towne Centre  
special improvement district**
- **parking garage at Five Points**
- **the courthouse**
- **the gas fired turbines**

# Low property taxes and user fees

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**Bountiful City has:**

- **the lowest property tax rate of all the larger cities in Utah**

# 2012-2013 BUDGET

## 2011-12 Property Tax Rates – Utah Cities

City	Tax Rate	Tax Bill on \$250,000 Home	% of Bountiful
SALT LAKE CITY *	0.004622	\$636	423%
WEST VALLEY CITY	0.004510	\$620	413%
PROVO *	0.002080	\$286	190%
OREM	0.001879	\$258	172%
WEST JORDAN	0.002069	\$284	189%
SANDY	0.001481	\$204	135%
LAYTON	0.002068	\$284	189%
ST. GEORGE	0.001857	\$255	170%
OGDEN	0.003330	\$458	305%
TAYLORSVILLE	0.001794	\$247	164%
LOGAN *	0.001490	\$205	136%
MURRAY *	0.001772	\$244	162%
MIDVALE	0.002701	\$371	247%
SOUTH JORDAN	0.002332	\$321	213%
DRAPER	0.001996	\$274	183%
HOLLADAY	0.001767	\$243	162%
COTTONWOOD HEIGHTS	0.002586	\$356	237%
BRIGHAM CITY *	0.002886	\$397	264%
AMERICAN FORK	0.002794	\$384	256%
LEHI	0.002519	\$346	230%
SOUTH SALT LAKE	0.002691	\$370	246%
AVERAGE	0.002439	\$335	223%
BOUNTIFUL	0.001093	\$150	100%

\* DOES NOT INCLUDE LIBRARY LEVY



# 2012-2013 BUDGET

## 2011-12 Property Tax Rates – Davis County Cities

City	Tax Rate	Tax Bill on a \$250,000 Home	% of Bountiful
CENTERVILLE	0.001173	\$161	107%
CLEARFIELD	0.001800	\$248	165%
CLINTON	0.001866	\$257	171%
FARMINGTON	0.002283	\$314	209%
FRUIT HEIGHTS	0.002071	\$285	189%
KAYSVILLE	0.001035	\$142	95%
LAYTON	0.002068	\$284	189%
NORTH SALT LAKE	0.001637	\$225	150%
SOUTH WEBER	0.000927	\$127	85%
SUNSET	0.002297	\$316	210%
SYRACUSE	0.001821	\$250	167%
WEST BOUNTIFUL	0.001997	\$275	183%
WEST POINT	0.001008	\$139	92%
WOODS CROSS	0.001049	\$144	96%
AVERAGE	0.001645	\$226	151%
BOUNTIFUL	0.001093	\$150	100%

## **Low property taxes and user fees**

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**Bountiful City has:**

- **the lowest property tax rate of all the larger cities in Utah**
- **lower overall electricity rates than Rocky Mountain Power**



# 2012-2013 BUDGET

## Residential Customer Electric Consumption

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Usage	Bountiful Power Rates	Rocky Mountain Power Rates
for first 1,000 KWH May – Sept	9.25¢	9.41¢
for all KWH over 1,000 May – Sept	9.25¢	12.87¢
for all KWH October - April	9.25¢	8.70¢
per month customer charge	\$4.20	\$4.00

# Low property taxes and user fees

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**Bountiful City has:**

- **the lowest property tax rate of all the larger cities in Utah**
- **lower overall electricity rates than Rocky Mountain Power**
- **lower user fees for water and garbage than neighboring cities**

# Providing essential services

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**Bountiful City provides  
the essential services that the citizens need  
multiple times every day  
to carry on their lives:**

# Electricity

\$27.5 million



# Water

**\$3.3 million**



# Streets

**\$3.9 million**





# Snowplowing



**Part of the  
\$3.9 million  
Streets Dept  
Budget**



# Garbage Service

**\$850,000**



# Landfill

\$1 million





# Police Services



**\$6.3 million**



# Fire Protection

\$1.9 million





# Cemetery

\$300,000



# Maintenance of infrastructure

**Budgeted over several departments**





# Protection of the environment

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**Budgeted over several departments**





# Support for recreation and culture

**\$1.4 million**



**\$800,000**



**\$300,000**



**\$110,000**





# Planning for the future

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**Bountiful City has a substantial reserve fund for future contingencies.**

**Our IT Dept is implementing a very major change with a software program called Tyler Technology. This has been a big effort in all departments, and funding is budgeted across the various departments.**

**We have a Planning Dept and Planning Commission helping the City Council to shape the future appearance of Bountiful.**

**We are involving our future leaders in our Bountiful City Youth Council.**



# **Independence of the City**

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**Bountiful independently provides across the board services for the citizens of the City.**

**Bountiful is not financially dependent upon Federal or State programs.**

**The City has its own electrical utility with its own significant generation capability. New gas fired turbines will be fully online for our electrical customers very soon, and completion of the project is in this budget.**

**The City has its own garbage service, landfill, cemetery, and police dispatch.**

**The City has the resources to carry out the responsibilities of municipal government.**



## Fair compensation to City employees

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**Of course it is our  
City employees  
who make it all happen.**

**\$17.3 million**



# **The values and priorities reflected in the Bountiful City 2012-2013 Budget**

**Respect for and fairness to the citizens of Bountiful**

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